

## KAZAKHSTAN

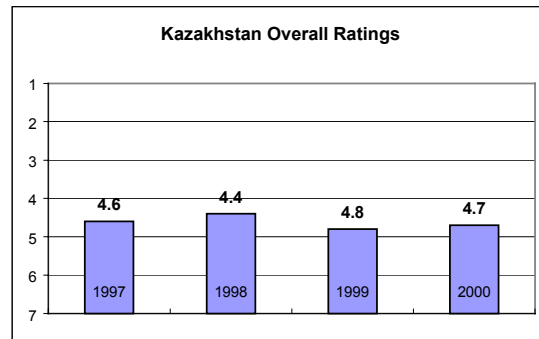
## KAZAKHSTAN

Capital: Astana  
GDP per capita: \$1,523  
Population: 15,400,000

Inflation: 6%  
Unemployment: 3.7%  
Foreign Direct Investment: \$800,000,000

### OVERALL RATING: 4.7

According to the Kazakhstan Ministry of Information, approximately 6,000 NGOs are officially registered in Kazakhstan. However, according to the database kept by the Counterpart Consortium, only 800 of these are active. Many of the other registered NGOs are dormant, or are quasi-NGOs created by government agencies. The NGO community is fairly diverse, but certain parts of the NGO sector tend to be stronger. Ecological NGOs, for example, are fairly strong and are numerous. Historically, they were the first to agitate for government accountability in the USSR in the mid- to late-1980s. While based among intellectuals, many ecological groups have become more involved in grassroots work within communities in recent years. Business and professional associations as well as women's groups are also fairly numerous, as are health NGOs and groups working with disabled people. The civil society sector in Kazakhstan has been an invaluable arena for women's activism. Women head approximately 70 to 85% of NGOs in the country, and a considerable number of organizations are also comprised of female-dominant staffs.



Since last year, the ability and willingness of NGOs to enter into advocacy projects has increased. NGOs have been involved in a successful independent monitoring campaign for the parliamentary elections, local government de-centralization, NGO legislation, and government contracting to NGOs for social services.

While these efforts have increased the visibility of NGOs in Kazakhstan over the last year, most NGOs in the country remain small organizations with very small membership bases, limited community outreach, and poor networking and coalition building skills. As a result, the NGO sector is still marginal in Kazakhstani society. This makes it all the more difficult for NGOs to lobby the government to create or implement legislation, which will help nurture the sustainability of the sector. In addition, most NGOs in Kazakhstan continue to operate under the guidance of strong personalities rather than through decentralized and democratic structures of organizational governance. While this may help NGOs adhere to clear and cohesive strategies, it also limits the ability of stronger NGOs to take the next step towards becoming truly sustainable organizations based on a stable and active membership and/or constituency.

### LEGAL ENVIRONMENT: 4.5

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Legally, NGOs face few formal difficulties in registering with the government. Legal advice is available in major cities from both lawyers and other legal experts. However, many NGOs, especially those that are less developed and/or located in outlying regions, find the current registration fee of \$100 prohibitively high, even though this is less than what was previously required.

NGO operations vary significantly in terms of the degree to which legislation is implemented. This in turn varies with geography; enforcement is generally strongest in Almaty and other urban centers. On a positive note, the participation of unregistered organizations is now permitted.

NGOs engaged in advocacy campaigns continue to experience harassment by local authorities, making good (or at least working) relations with akims (regional governors) more important than ever.

NGOs currently enjoy few tax benefits, although grants from international organizations are exempt. The lack of legal tax protection seriously undermines NGOs' capacity to engage in revenue-generating activities.

The current draft of the proposed tax code rolls back tax exemptions for NGO revenue generating activities, thereby effectively eliminating the NGO sector's ability to sustain itself. The draft legislation also requires international grants to be funneled through the Ministry of Press and Social Harmony in order to receive tax privileges. However, with the active participation of the International Center for Not-for-Profit Law, the draft tax code has undergone several revisions favorable to NGOs. Blanket harassment by the tax police of NGOs with international partners or donors increased dramatically in August 2000 in Almaty and Shimkent in an attempt to strip NGOs of many privileges in the draft Tax Code, which was then under consideration.

### ORGANIZATIONAL CAPACITY: 5.0

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In general, organizational capacity remains weak in Kazakhstani NGOs: many organizations have few members, and membership issues are not perceived to be necessary to obtain grants. This focus on grants, rather than organizational capacity-building, has also impeded the formation of NGO coalitions. Some NGOs in Kazakhstan actively seek to build constituencies among the broader population. Most organizations, however, do not understand the impor-

tance of maintaining active ties to society, and seem unconcerned by the absence of such links.

Despite technical advances such as wider access to modernized office and communications equipment, NGO staffing procedures remain underdeveloped. Poor levels of both volunteerism and clear internal governance procedures exist in all but the strongest NGOs.

### FINANCIAL VIABILITY: 5.5

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Many NGOs in Kazakhstan, except those enjoying direct support from the government, remain almost entirely dependent upon grants from foreign donors. This is problematic for several reasons. International donors are limited in number (inducing a competitive, rather than cooperative, intra-sectoral dynamic), and the year-to-year funding cycles of international donors instill local NGOs with a sense of insecurity, hindering their ability to plan—much less operate—in mid- to long-range terms. Despite this, many NGOs, especially those outside of Almaty and Astana, work locally without contact with the international donor community. These organizations survive “under the radar” of international donors, with the support of small businesses, local residents, and

membership fees. This is especially true of organizations representing the interests of ethnic groups and other tight-knit communities. The continued degradation of the economic environment outside of the main cities of Almaty and Astana, however, continues to take its toll on regional NGOs’ financial bases.

Sound financial management systems are being put in place in many Kazakhstani NGOs as the result of foreign technical assistance, foreign donor requirements, and the need to withstand increasing scrutiny from state tax and other regulatory bodies. These systems include realistic budgets and durable accountability mechanisms.

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### ADVOCACY: 4.5

Only a small number of Kazakhstani NGOs have shown strong improvement in advocacy work, galvanized by the recent parliamentary elections in Kazakhstan. These organizations have demonstrated both the inclination and ability to engage in advocacy work based on specific issues or broad reform campaigns. These efforts have generated some notable successes. For example, the previous rape law was repealed and replaced, largely thanks to a lobbying campaign spearheaded by NGOs. Also, NGOs such as “Daytar” and the Center for the Support of Democracy were instrumental in forcing the parliament to postpone consideration of a controversial draft law on self-government, and then to publish the draft. In addition, a group of NGOs forged a successful independent monitoring campaign for the parliamentary elections, and have since turned their attention to local government decentralization. Finally, several NGOs

have been involved in drafting new NGO legislation.

Despite a rise in the visibility of advocacy efforts, the vast majority of the Kazakhstani NGO sector, including environmental NGOs, has shown little or no improvement in advocacy work. Networking among NGOs has yielded mixed results. Despite the existence of the Confederation of NGOs, the lack of a unifying, nationwide agenda has impeded coalition building. As a whole, NGOs engaged in advocacy work – particularly those involved in

political advocacy and lobbying – remain immature in their development of advocacy skills. They also experience difficulty in changing their stance towards

the government from one based on confrontation to one oriented towards persuasion.

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### **SERVICE PROVISION: 4.7**

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Despite a general weakness in constituency building efforts, NGOs in Kazakhstan provide a broad range of services to local populations. Service-oriented NGOs tend to focus on socially vulnerable segments of the population. The Association of Diabetics, for example, represents a successful social partnership forged between a service providing NGO and local government. Despite ongoing problems with NGOs' ability to monitor and track the effective-

ness of and demand for their services, there appears to be a general expansion of services provided by the sector. This trend is encouraged in some cases by local governments that view NGOs as an important supplement to government-provided services. In this, however, there exists the danger that NGO-provided services may eventually substitute, rather than supplement, the efforts of local governments and budgetary organizations.

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### **INFRASTRUCTURE: 4.5**

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The infrastructure supporting the Kazakhstani NGO sector appears to have improved somewhat over the past year. Training resources available to NGOs have grown over the past year, both in terms of quality and geographic availability. The weak link in terms of infrastructure is the inability of local grant-making organizations to function. Local

community foundations and ISOs have been incapable of raising local funds and redistributing international donor funds. NGO networks exist, but their cooperative efforts have been limited primarily to information sharing, rather than mounting coordinated advocacy campaigns or resource management.

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### **PUBLIC IMAGE: 4.5**

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The public image of NGOs in Kazakhstan has not changed appreciably over the past year. While NGOs slowly expanded their public relations activities, such as outreach to media, their failure to create a positive perception of NGOs among government officials and business sector representatives continue to stunt the sector's activities. Perceptions among government officials tend to be especially negative towards NGOs involved in political advocacy campaigns.

Relations between NGOs and journalists have improved slightly. Although the work of NGOs does not appear in the national media as much as many would like, NGOs do appear on television and in newspapers. The degree to which an NGO is covered in the media is a function not only of the political climate or the media's attitude towards the NGO sector, but also of the NGO's efforts to actively interface and cultivate good relations with media outlets. Some NGOs seem to have reduced

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their outreach efforts after initial attempts to make inroads with the media have failed.

The public at large remains relatively skeptical and/or ignorant of NGOs. Many view NGOs as vehicles for advancing the interests of narrowly defined economic and political elites. This is

especially true of NGOs with ties to political figures. In many cases, this problem of public perception is related at least in part to the failure of NGOs to actively establish channels of communication with the public. Bulletins and newsletters produced by NGOs, for example, are not distributed widely.